COMPTROLLERSHIP DEVELOPMENT IN THE UNITED STATES MARINE CORPS

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NAVY GRADUATE COMPTROLLERSHIP PROGRAM

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by

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Prepared for

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PREFACE

As a result of my previous assignment, which dealt with the training of Marine aviation personnel, I became very interested in Marine Corps management training. This paper gave me an opportunity to investigate further into this field, specifically in the area in which I am now undergoing training myself. In that respect, it was a real pleasure.

Title IV of the National Security Act Amendments established the comptrollership concept within the Department of Defense, as well as the Department of the Navy. To implement this law, various directives and orders were promulgated by the Secretary of the Navy and the Commandant of the Marine Corps.

The purpose of this paper has been to study the development of comptrollership within the Marine Corps which has resulted from these laws and directives. The billets which have been established, the training that has been provided, an evaluation of the principal training course provided, and some of the problems associated with this development are matters of continuing interest to many Marine officers. It is hoped that this discussion will somehow assist in the solution of some of the problems that have occurred in transferring this concept

into a workable, usable, effective tool.

Although much of the information contained herein was obtained through interviews and discussions with other Marine officers, the opinions expressed are those of the writer and in no case are to be considered opinions of the Marine Corps, or of the officers with whom the various subjects were discussed in the course of writing this paper.

The excellent cooperation of personnel in the office of the Assistant Chief of Staff G-1, the Fiscal Division, the Division of Aviation, and various other individuals too numerous to mention, is hereby gratefully acknowledged.

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CHAPTER I

HISTORICAL BACKGROUND

The two Hoover Commissions spent a great deal of time studying government finance. The first Hoover Commission concentrated primarily on finance within the Department of Defense. As a result of their recommendations, the Title IV Amendment to the National Security Act of 1947, as passed by Congress on 10 August 1949, first established the comptrollership concept within the Department of Defense. The stated purpose of this amendment was the "Promotion of Economy and Efficiency through the Establishment of Uniform Budgetary and Fiscal Procedures and Organizations." Section 401 of the Act established the Comptroller of the Department of Defense. Section 402 established the Comptroller in each military department and made them responsible for "all budgeting, accounting, progress and statistical reporting, and internal audit in their respective departments and for the administrative organization structure and managerial procedures relating thereto subject to the authority of the respective departmental secretary."[1]

In June, 1950, the Secretary of the Navy promulgated

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[1]National Security Act Amendments of 1949, Act of August 10, 1949, 61 Stat. 495.

the "Charter of the Comptroller of the Navy." The duties and responsibilities of the Comptroller of the Navy were set forth as follows:

> The mission of the Comptroller is to advise and assist the Secretary of the Navy in developing and maintaining efficiency and economy through budgetary and fiscal procedures. In general, the Comptroller will function in a staff capacity except for the conduct of auditing operations considered essential to a proper discharge of his statutory responsibility.[2]

In July, 1953, the "Fiscal Division, Headquarters, U. S. Marine Corps" was established. The assignment of responsibilities and delegation of authority to the Fiscal Director by the Commandant is as follows:

> The Fiscal Director, Marine Corps, is hereby authorized and empowered to act for me, and he shall be my agent, in all fiscal matters within the cognizance of the Marine Corps, subject to such plans and instructions as I may issue from time to time, and he shall have complete responsibility for recording, reporting, and administering all appropriated funds and imbursements thereto made available to me for the operation and support of the Marine Corps in pursuance of such plans and instructions.
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> This is intended to and does constitute an automatic allocation to the Fiscal Director of such funds as may from time to time be made available to me by copy of appropriation warrant, transfer document, or by any other authorized means whatsoever. In addition, this letter constitutes due authorization for the Fiscal Director to take such further actions as may be necessary in the administration of and the reporting of the aforesaid funds in advancement of such plans and instructions as I may effect from time to time.[3]

In November, 1953, the Secretary of the Navy issued instructions for the establishment of comptroller organizations

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[2]U. S. Navy, "Charter for the Comptroller of the Navy," Washington, D. C., 1950.

[3]Commandant of the Marine Corps letter to the Fiscal Director, dated July 1, 1953.

in bureaus, headquarters, offices and field activities of the Navy and Marine Corps.[4] The instructions outlined the functions of comptrollership, made recommendations regarding organization and staffing, and, in general, described the establishment of comptroller organizations as a major step towards improved financial management. It is pertinent to note that while this instruction was being prepared, the Commandant requested and was granted authority by the Secretary of the Navy to implement the provisions in a gradual manner until such time as Marine personnel could become more thoroughly indoctrinated with the comptrollership concept. It was envisioned that this educational and training period would take about three years.

On 9 December 1953, the Commandant of the Marine Corps wrote a letter to all Commanding Officers to apprise them of Marine Corps policy with respect to interpretation and implementation of SECNAV INSTRUCTION 5400.4.[5] He pointed out that he intended that special staff sections to perform comptrollership activities be established only where the fiscal workload was sufficient to require it, and that elsewhere these functions should be assigned to various staff officers. The Commandant did not, in this

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[4]Secretary of the Navy, Instruction 5400.4, "Establishment of Comptroller Organizations in Bureaus, Headquarters, Offices, and Field Activities of the Navy and Marine Corps" (Washington, D. C.: Department of the Navy, November, 1953).

[5]Commandant of the Marine Corps letter to all Commanding Officers, dated 9 December 1953.

letter, set forth instructions to centralize all of the comptroller functions in one office. As a result of this general guidance, commanders of field activities organized their own staff sections to perform the functions of comptrollership.

In April of 1954, Fiscal Accounting and Reporting Instructions for Appropriation MCT&F (NAVMC 1092-FD) was published. Again, no fiscal or comptroller organization was prescribed for field activities. It was considered that after a period of actual experience in financial management the Marine Corps could better determine the type organization needed to comply with SECNAV INSTRUCTION 5400.4. It was thought that to prescribe a rigid organization to field commanders at that time would restrict their initiative in the solution of local problems resulting from the new responsibilities.

However, in April, 1954, the Bureau of Aeronautics issued formal instructions to its field activities requiring that certain Naval and Marine Corps Air Stations establish comptroller organizations.[6] Marine Corps Air Stations, under the management control of the Bureau of Aeronautics, which were directed to establish comptroller organizations were located at Cherry Point, North Carolina, El Toro, Santa Ana, California, and Miami, Florida. Commanding officers of all other stations under Bureau of

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[6]Chief of the Bureau of Aeronautics, Instruction 5451.11A "Establishment of Comptroller Organizations and Functions at Naval Aeronautical Shore Activities" (Washington, D. C.: Department of the Navy, April 23, 1954).

Aeronautics management control were permitted to establish comptroller organizations. The Commandant of the Marine Corps has since directed that "this organization will administer Marine Corps Funds allotted to these air stations."[7]

In accordance with the Bureau of Aeronautics instruction, the comptroller was established independent of any operating department and occupies a staff position from which he reports directly to the commanding officer of the station. The instruction recommended that the billet be filled by an officer of at least the rank of Commander (Lieutenant Colonel). This instruction further directed that the Supply and Fiscal Department which existed at Air Stations be divided into two separate departments. The Supply Department maintained responsibility for stock records, controlling allotments, procurement of inventories, e.g. Navy Stock Fund Allotments, and for preparation of dollar supply management reports, e.g., class cognizance reports. The Fiscal Department was delegated responsibility for station appropriation, cost, stores and plant accounting. The responsibilities and functions of the comptroller are described:

> The Comptroller, functioning as a staff adviser with respect to the use of station funds and property, shall advise and assist the Commanding Officer and the Station Planning Board in directing, planning, organizing, and executing station budgetary and financial

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[7]Commandant of the Marine Corps, Order 5450.2, "Establishment of Comptroller Organizations at Certain Marine Corps Activities" (Washington, D. C.: Department of the Navy, March 12, 1956).

management operations to insure that financial management on the station is in conformity with law, good business practices, and policies and the procedures of the Chief of the Bureau of Aeronautics. In this capacity, the Comptroller provides technical guidance and direction for the conduct of specific fact-collection systems in the areas of budget formulation and execution, program analysis, and progress reports and statistics.[8]

In March of 1956, the Commandant decided that the Marine Corps must necessarily take further steps to insure full implementation of SECNAV INSTRUCTION 5400.4. He believed that the establishment of formal comptroller organizations at certain major field activities would accomplish this. Although the program of financial management within the Marine Corps had been considered satisfactory, there was no uniformity in organization and there were many areas where improvements would obviously eliminate deficiencies.

As of 1 July 1956, comptroller organizations were directed to be established at the headquarters of the following activities:

a. MCS, Quantico, Virginia
b. FMFLant
c. FMFPac
d. MCB, Camp Lejeune, North Carolina
e. MCB, Camp Pendleton, California
f. MCRD, San Diego, California
g. MCRD, Parris Island, South Carolina
h. MCSC, Albany, Georgia
i. MCSC, Barstow, California
j. MCCD, Philadelphia, Pennsylvania[9]

The officer in charge of the comptroller organization was to be of the rank of Colonel and designated

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[8]BuAer Instruction 5451.11A, op. cit., p.4.

[9]Marine Corps Order 5450.2, op. cit., p. 5.

the Comptroller. He was to have general staff status and report directly to the commander. For smaller activities, it was recommended that activities be grouped to bring them more in line with the formal type organizations, but formal organizations were not established. In the formal organizations it was made mandatory that an accounting office be established under the comptroller and that all accounting functions be centralized therein. The officer in charge of the accounting office was to be designated the accounting officer. Because of the broad knowledge of various types of accounting and disbursing which would be required, it was directed that a field grade officer in a "Supply Duty Only" status be habitually assigned to this billet. The functions of the Comptroller were divided into three areas; budgeting, accounting, and progress reports and statistics.[10] Under accounting was to be cost accounting, disbursing, appropriation accounting (accomplished by the Fiscal Officer), stores accounting, plant accounting, and civilian payroll and timekeeping.

Marine Corps Order 5450.2 stated that comptrollership functions at Marine Corps Air Installations would continue to be performed in accordance with BUAER INSTRUCTION 5451.11A, dated 23 April 1954.

The current directive on the comptrollership organizations and functions at Marine Corps Air Stations is, however, BUAER INSTRUCTION 5451.11B of 10 May 1957.

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[10] Ibid.

Briefly, this instruction states that the Commanding Officer must develop and administer a financial plan based on operating plans and responsive to changes in operating plans as they occur. To perform this increasingly complex task effectively he should have available the assistance and advice of staff assistants possessing both technical "know-how" and mature judgment in the field of financial management. The expansion in recent years in the scope and complexity of business management requirements for the conduct of station or center operations has placed a heavy added responsibility on the Commanding Officer. He must use station accounts and records for the facts he needs to make informed decisions, and to exercise effective control. Further, in considering over-all responsibility for his entire command, he must have access to analyses based on an over-all station or center viewpoint, rather than solely on the specialized perspectives of each of his major organizational elements. Responsibility is placed on the Comptroller to provide these broad analyses, and for assuring application to problems of formulation and execution of the over-all financial plan. The Comptroller is the focal point to which all financially significant data should be channeled from each organizational element for classification, analysis, and consolidation as required. The Comptroller's basic responsibility is, in short, to assure that the necessary requisites for sound financial management of the station or center are recognized and provided, and in consonance therewith he

serves as a member of the top management team to provide the Commanding Officer, the Executive Officer, and members of this team with the necessary staff service and advice on financial management matters. All departments and offices must provide the Comptroller with adequate data to permit him to discharge his assigned responsibilities; and in the areas of the budget, the Work Measurement Program, and any other areas or programs which generate data for which the Comptroller must take responsibility for completeness and accuracy, he must maintain review adequate to insure completeness and accuracy.

Although BUAER INSTRUCTION 5451.11B only requires formal Comptroller organizations in Marine Air Installations at MCAS Cherry Point, North Carolina, MCAS El Toro, California and MCAS Kaneohe Bay, T. H., it requires all BUAER managed activities, regardless of size, to perform the basic functions of comptrollership. In performing these basic functions, it is anticipated that major emphasis will be directed toward two main areas: (1) coordination of station budget preparation, and (2) recommendations for fund and personnel allocations. It is expected that responsibility for these two areas will normally be consolidated and assigned to one office. Marine Air Installations thus affected include MCAAS Beaufort, South Carolina, MCAS Miami, Florida, MCAF Camp Lejeune, North Carolina, MCAF Santa Ana, California, MCAS Quantico, Virginia and MCAAS Mojave, California.. Should any of these activities meet two of the following three criteria,

they are encouraged to establish a formal Comptroller Department encompassing all of the basic functions of Comptrollership: (1) an on board count of civilian employees of 400, (2) yearly amount of station held aviation allotments in the "A", "B", "C", and "E" series of $3,000,000 and (3) a value of plant property of $20,000,000. This instruction assigns staff department status to the comptroller organization, transfers intact the functions and personnel of the Fiscal Department/Division to the Comptroller Department and transfers the functions and personnel of the Work Measurement Program to the Comptroller Department or Comptroller Office. The Comptroller is responsible either for preparation, or for review and coordination of all reports forwarded by the station to BUAER or other requiring authority concerning the general field of financial management, including budgets, accounting, personnel utilization, station performance in relation to man-hour or dollar planning estimates or standards, work measurement, audits, and financial management or personnel utilization surveys. The instruction pointed out that the Navy Department is training a number of officers annually in Comptrollership, Management Engineering, and Business Administration at several civilian institutions, and when such officers are available on a station they should be given particular consideration for assignment as Comptroller.

The functions and responsibilities of the Comptroller at activities under BUAER Management Control are

set forth in detail in Enclosure (1) to BUAER INSTRUCTION 5451.11B. This information is contained in Appendix I.

In January, 1958, the Commandant of the Marine Corps issued a Marine Corps Order which increased the list of activities required to have a formal comptroller organization.[11] Marine Corps Base, Twentynine Palms, California and Camp Smedley D. Butler, Okinawa were added to the previous list of ten activities directed to have such an organization. In addition, this order provided supplemental guidance to Marine commanders on the organization and functioning of the staff in the execution of the commander's financial management responsibilities. It more clearly defined the duties of the Comptroller in the four areas of budgeting, accounting, disbursing, and progress and statistics. It placed the Comptroller on the General staff. Further, the order defined the duties and responsibilities of the Accounting Officer, the Disbursing Officer and the Fiscal Officer, and placed them on the Special staff. A copy of this order is included as Appendix II.

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[11]Commandant of the Marine Corps, Order 5450.2A, "Organization and Functioning of the Staff in Financial Planning and Administration" (Washington, D. C.: Department of the Navy, January 17, 1958).

CHAPTER II

COMPTROLLERSHIP BILLETS

The Tables of Organization prescribe the personnel allowance and the organic structure of units and organizations of the Marine Corps. The directives discussed in Chapter I, Marine Corps Orders and Bureau of Aeronautics Instructions, established the formal comptroller organizations in the Marine ground and air installations, respectively. The Tables of Organization reflect implementation of these directives. To implement the Bureau of Aeronautics Instruction concerning comptrollership, one additional officer, Naval Aviator Lieutenant Colonel, was added to the Air Station Table of Organization. It was originally envisioned that his entire staff would be composed of civilians, and this concept hasn't changed. In the Marine ground installations, however, the Tables of Organization reflected a number of different organizational structures, not only in conformance with the different missions of the installations, but as a result of the authority from the Commandant which allowed each installation to establish its own structure. Although only one additional officer (Colonel or Lieutenant Colonel, depending on the size of the installation) was added,

there were a number of officer, enlisted and civilian billets transferred into the comptroller divisions. This lack of uniformity still exists, not only in billet structure, but also to some extent in functional responsibilities. To give some idea of the billet allowances at some of the ground installations, I have selected a few that may be somewhat representative. The Marine Corps Supply Center, Barstow, California presently has an allowance of seven officers, nineteen enlisted and fifty civilians in the Comptroller Division. The Marine Corps Recruit Depot, Parris Island, South Carolina has an allowance for six officers, forty-five enlisted and twenty-six civilians in the Comptroller Division. In this case the allowance given does not include the Disbursing Section. Marine Base, Camp Lejeune, North Carolina has an allowance of nine officers, seventy-seven enlisted and fifty-nine civilians in the Comptroller Division. Fleet Marine Force Headquarters, Atlantic and Pacific, each have a personnel allowance of three officers and four enlisted, with no civilians, in the Comptroller Sections.

The Tables of Organization of the Marine Corps reflect allowances for personnel with a knowledge of financial management in a number of other areas. Although perusal of all of the organizational tables of the Marine Corps was not undertaken by the writer, various Marine billets in Headquarters Marine Corps, Naval Offices, Bureau Offices, and Aircraft and Overhaul and Repair Depots reflect some of these areas.

In addition to the requirement for the formal organizations of those shore installations, there is a need for organized financial management within the fleet units. This was recognized by the Commandant as evidenced by paragraph 6.b. of the current Marine Corps Order which states:

> The Commanders of field activities other than those listed in enclosure (1) will discharge their fiscal functions in the most efficient manner, assigning those functions to their staffs as they may desire; however, in all organizations the closest supervision over the entire fiscal function should be exercised by the commander himself, not only in the interest of efficient financial administration, but for the purpose of training subordinate officers in this vital function. Separate staff sections to perform comptroller-type activities will be established only where the fiscal workload is sufficient to warrant it.[1]

In implementing these instructions from the Commandant, a Fiscal Officer plus five enlisted billets were established in each of the two Force Troops Headquarters and in each of the three Marine Divisions to assist in financial management. The one Marine Brigade has an allowance, under the current Tables of Organization, of one officer and three enlisted men in the fiscal section.

In the fleet air activities of the Marine Corps the major portion of the funds administered do not come through the Marine Corps. In fact, Marine Corps Troops and Facilities is the smallest, in dollar amount, of the appropriations administered.

The Fiscal Section of Aircraft Fleet Marine Force Atlantic and Pacific each contain billets for one officer

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[1] Ibid.

and three enlisted men. The three Marine Air Wings contain allowances in the Tables of Organization for a fiscal section consisting of one officer and six enlisted men. An additional officer and enlisted billet in the Marine Air Wings is presently under consideration at Headquarters Marine Corps.

Presently there are no billets established for the performance of the financial management function at units below the Division--Wing level. It is not anticipated that any expansion of the Tables of Organization to include fiscal officers at Regiment--Group level, or below, will be accomplished in the near future. It is interesting to note that commanders of regiments, groups, battalions and squadrons must actively participate in the fiscal management program by estimating requirements for annual funds, and administering funds received. However, no provisions are made for technical assistance in this function. These commanders are held accountable for accurate and timely reporting of funds employed. Therefore, it behooves them to personally possess some detailed knowledge of the function. In most cases, at this level, the Logistics Officer of the unit handles the fiscal recording and reporting required under the current system. At times, the function is assigned to various other staff officers in light of the local situation.

CHAPTER III

COMPTROLLERSHIP TRAINING

The comptrollership billets described in the preceding chapter must be filled with qualified individuals in order to accomplish the financial management job, and therein lies our problem. General Wieseman, Fiscal Director of the Marine Corps stated:

> Our biggest single problem is the lack of qualified people. We have no major problem areas with respect to the mechanics of our fiscal administration, but we do have a problem when we consider the lack of experience which we have throughout the financial management field. This is a time of change, and the impact of the changes is heaviest among the supervisors, the fiscal officers, the bookeepers and the accountants. Sweeping changes in accounting methods, centralization of accounting, and budget planning have a good deal of effect upon organization. They have an even greater effect upon the people who have to do the work. We don't have enough people who are trained accountants, and we don't have enough people who have a broad enough Marine Corps background, coupled with fiscal experience, to step in and start operating as comptrollers. Until time has allowed us to develop the necessary skills, things are going to be difficult.[1]

Obviously, there are enough people in the Marine Corps who possess the requisite broad background, but the problem comes when individuals of this type must be found who also have fiscal experience. Prior to the Title IV

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[1]Address of Brig. General Fredrick L. Wieseman, Fiscal Director, USMC, to the Marine Corps Generals' Conference, Headquarters Marine Corps, July 1957.

Amendment to the National Security Act of 1947, the only requirement for personnel with fiscal experience of any type was in the Disbursing, and possibly, the Supply Duty Only officer categories. The fiscal experience that the General is referring to in order to step in and start operating as a Comptroller is perhaps much broader than one would realize if unfamiliar with the concept. In this regard it is interesting to note what one company considers within the capabilities of its Comptroller:

> As a staff member of management, the Comptroller is charged with advising the President and furnishing functional guidance to the general managers of the Divisions on accounting, auditing, the budget, the preparation and payment of payrolls, tax matters, the compilation of statistics, office methods and procedures, and with conduction of such activities for the managers of the staff departments.[2]

Another writer, commenting only on the need for an accounting background for comptrollers has this to say:

> The controller and his assistants must be thoroughly steeped in accounting theory, since sound accounting principles are the foundation of and first consideration in their work. His is the responsibility of disposing expeditiously of major accounting problems, of advising his staff properly regarding them, of supplying results promptly to management and operating divisions, and of protecting top management against unwarranted criticism of its published figures.[3]

If this then gives an indication of the fiscal experience required of comptrollers, it becomes very apparent that such experience will not be found in many officers who have devoted a large part of their adult life to duty

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[2]John W. Riegel, Executive Development (Ann Arbor: University of Michigan Press, 1952).

[3]J. Hugh Jackson, The Comptroller His Functions and Organization (Cambridge: Harvard University Press, 1949).

in the Marine Corps. I am certain that the General realized this when he stated that we need additional time to develop the skills required. As stated earlier, General Sheppard, in 1953, requested authority from the Secretary of the Navy to delay implementation of Title IV until such time as Marine personnel could become more thoroughly indoctrinated with the comptrollership concept. When one considers the length of time industry spends in the training and development of a comptroller, it is easy to see how the Marine Corps, with slightly over four years of living with this concept, could still require more time for the development of these skills. Additionally, the Marine Corps has the problem of the continually expanding requirements in numbers of people with this skill.

Perhaps we should ask ourselves just how much and what kind of training has been accomplished in this important function within the Marine Corps since the enactment of Title IV. It must be realized that constant on-the-job training is a Marine Corps tradition, and financial management training has been no exception. The amount of training accomplished in this manner is impossible to judge and most difficult to evaluate. Therefore, no attempt will be made to do either. However, some knowledge of the training accomplished can be gleaned by a look at the schools, courses and conferences available, and the Marine Corps participation therein.

The most lengthy and complete course utilized by the Marine Corps is the Navy Graduate Comptrollership Course

at George Washington University. This course, started as a nine months course, was increased to ten and one-half months with the classes convening in July 1956, and was increased again in June 1957 to twelve months. The course leads to a Masters Degree in Business Administration for the qualified candidates. The curriculum was tailored to meet the needs of the Navy and Marine Corps, and was designed to give the officer students a working knowledge of managerial controls adequate to prepare them for assignment to comptrollership billets. The curriculum covers the technical areas of budgets, reports, statistical analysis, accounting, audit, finance, organization and management, economics and related fields. In addition to the formal studies, an outstanding program of guest speakers is utilized to firmly implant in the student's mind the various facets of comptrollership, not only from the governmental viewpoint, but also from the viewpoint of private business. Each week the students are privileged in participating in a seminar with a guest lecturer from business. The speaker is usually either the Vice President of Finance or the Comptroller of his company. Business concerns represented so far this year consist of Pittsburgh Plate Glass, Eaton Manufacturing Company, Babcock and Wilcox, Republic Steel Corporation, Kendall Company, Kaman Aircraft Company, Glenn L. Martin Company, Westinghouse Electric Company, Lincoln Electric Company, Allied Chemical and Dye Company, Borg-Warner, Union Carbide Corporation, American Machine Foundry, Armstrong Cork Company, General

Electric, Corn Products Company, Atlantic Refining Company, Combustion Engineering Inc., Sun Oil Company, New York Port Authority, Sears and Company, and a host of others. Each of the speakers normally gives a formal presentation lasting from one to one and one-half hours. This is followed by question or discussion periods ranging up to two hours. During this time, the students are given an opportunity to explore any areas of company management, as well as the methods, techniques and tools utilized by the particular company to accomplish the job of financial management. In that the speakers are successful businessmen, representing successful companies, many valuable ideas in the financial management field are certain to find their way into the Marine Corps and be utilized in providing a basis for successful financial management therein.

Additionally, the students also have one speaker each week from the Federal Government, Department of Defense or the Navy Department. Represented in this group are people such as the Assistant Comptroller General of the United States, a member of the Joint Economic Committee, the Deputy Comptroller of the Department of Defense, the Assistant Director of the Bureau of the Budget, the Assistant to the Secretary of Defense, the Navy Comptroller, the Fiscal Director of the Marine Corps, Comptrollers of each of the different Bureaus of the Navy, and many more. Their discussions and presentations follow generally along the lines cutlined for the representatives of business, as far

as methods are concerned. Specific problem areas are thoroughly explored and investigated by the students with these speakers, and it is believed that this is of inestimable value to the students. One important point that I would like to make at this time in regard to the course is that it is not a "how-to" course, but an educational course. For this reason, the course has been subjected to some criticism within the Marine Corps, which will be discussed later.

Marine Corps participation in this course has been continually increasing. The first Marine graduate completed the course in June 1952. Four officers graduated in 1953, two in 1954, five in 1955, four in 1956 and five in 1957. Presently there are seven Marine officers enrolled in the course and nine are tentatively scheduled for next year. Of the twenty-one officers who have graduated from the course, twenty are still on active duty in the Marine Corps. One Captain resigned from the Marine Corps two years after completion of school, after he had served one tour as a Division Fiscal Officer. Disregarding the officer who resigned, a breakdown of the specialties of the graduates shows that six were infantry officers, six were aviators, five were Supply Duty Only officers, two were artillery officers and one was an engineering officer. A breakdown by rank shows that three officers attended the school while serving in the grade of Lieutenant Colonel, ten were Majors while in school and the remaining seven were Captains. The present class consists of three Lieutenant Colonels,

one Major and three Captains. By specialty, there are two infantry officers, three aviators and two Supply Duty Only officers in the present class.

Another graduate course utilized by the Marine Corps for advanced schooling of officers in the over-all management field, and with some application to comptrollership, is the Management and Industrial Engineering course at Renssaelaer Polytechnical Institute. This course is eleven months in length, and qualified graduates receive a Master of Science degree. The course concentrates on advanced production and industrial engineering as applied to managerial problems. It includes courses in cost analysis, production planning and control, psychometrics, personnel management, economic analysis, law for engineers, production management, industrial relations, business and government, and management seminars. The first Marine officer graduated from this course in June of 1952. To date, there have been a total of eight Marine officers who have graduated from the course. All of these officers attended school as Majors, were aviators and are still on active duty. Presently there is a Lieutenant Colonel and a Major in this course. This schooling is directed at training for future assignments in planning and management positions in the Division of Aviation, Headquarters Marine Corps, Bureau of Aeronautics, Aircraft Overhaul and Repair activities of the Marine Corps, and other specific positions. Although these officers have not been trained specifically for positions in financial management areas,

a number of them have served as comptrollers, as they were undoubtedly more qualified for this position than anyone else available at the particular activity at the time.

The only other graduate schools utilized by the Marine Corps, pertinent to this area, are the Harvard and Stanford Graduate Schools of Business Administration. The courses are two academic years in length, plus a "training in industry" program during the summer period between the two academic years. They consist of a regular business administration course, specializing in one of the following areas; accounting, inventory control, transportation, retail merchandising, or procurement. There have only been two Marine graduates of the Stanford school, both of whom were supply officers, one a Lieutenant Colonel who graduated in 1950, and the other a Colonel who graduated in 1951. The Lieutenant Colonel retired in 1956. There have been ten graduates of the Harvard school, all of whom are supply officers. One officer graduated in 1951, two in 1953, one in 1954, one in 1955, three in 1956 and two in 1957. Presently there are two officers in the course. These two courses are being replaced by a one year business administration course at the University of Michigan, and it is anticipated that three officers will be schooled there next year, two supply officers and one ground officer. Although again these courses have not been directed specifically toward comptrollership, some of the graduates have served as comptrollers since completion of school.

Financial management training is practically non-existent within the Marine Corps Schools. The basic fundamentals of the system of fiscal management, as it pertains to command supervision, is presented in a two hour sub-course to the Basic School students. In the Communication Officers School, the Junior School and the Senior School this sub-course has been extended to four hours.

Although there have been no Marine graduates of the Navy Middle Management course at the U. S. Navy Post-graduate School in Monterey, California, there are two Marines presently in attendance. This is a five months course which is designed to foster individual growth, problem-solving ability, and initiative through application of sound management techniques. The program consists of two ten-week terms with the tenth week of each term devoted to field trips, seminar projects, etc. The course is divided into three parts; (a) a basic management area required of all officers, (b) a special management area to fill needs of particular officer designators and (c) an elective area to supplement (a) and (b). However, the course is being redesigned after only two classes, and the program beginning this fall will consist of one course for all students. The course will consist of classes in principles of management, human relations, management statistics, financial management, personnel management, industrial relations, contract administration, production planning, work measurement, work simplification and value engineering, inventory management, management economics, advanced management and

electronic data processing machinery operations analysis, methods and procedures. The course will still be divided into two ten-week terms and will be five months in length. Credit hours carried by the students have been reduced from twenty-one to eighteen. Presently, seven Marines are scheduled for this course, of which three will be infantry officers, two will be aviators and two will be supply officers.

Two other courses at civilian institutions have been utilized to some small extent by the Marine Corps for officer management training. The first of these is the thirteen week Advanced Management Course which is given at the Harvard Graduate School of Business Administration. It is a course for experienced managers in all areas of business and industry. It embraces administrative practices, cost and financial administration, production management, marketing management and problems in labor relations. Two Colonels have graduated from this course to date. The other course is an eight week Management Problems for Executives Seminar presented by the University of Pittsburgh. Discussion areas involve accounting, administrative practices, finance, industrial management engineering, marketing policies, personnel relations, labor relations, and statistics. Five Colonels have graduated from this course to date. These two courses are aimed at top level or "conceptual" management, and are more appropriate for activity commanders than comptrollers. Graduates have, therefore, been utilized in this respect.

The Army Command Management Course has also been utilized to some small extent by the Marine Corps. This is a three week course given at Fort Belvoir, Virginia, which touches on financial management in the Army, but is more primarily aimed at all aspects of command management. It cannot be considered of significant value in the schooling of comptrollers.

The Comptrollership Development Program is sponsored by the Comptroller of the Navy. A two week course has been given each quarter since 1954 in Washington, D. C. This course consists of the "broad brush" treatment of the organization and functioning of the Navy fiscal system. Guest lecturers, from within the Department of Defense and the Navy Department, present financial management as it relates to their particular billet. It is considered to be an excellent familiarization course and since 1954 approximately eighty-one Marine officers and civilian employees of the Marine Corps have attended. The Fiscal Division of Headquarters Marine Corps conducted a similiar program on a one time basis this spring. In excess of forty Marine officers and civilian employees thus received a short familiarization course in the financial management area.

Another method of securing training in financial management for Marines involves the off-duty education program. This is not sponsored by the Marine Corps, but the Marine Corps does assist with the tuition costs. For example, George Washington University offers a course which

leads to a Master of Arts (Comptrollership) degree and involves a minimum of thirty graduate hours in selected courses. To my knowledge, three Marine officers have attained this degree, while stationed at Headquarters Marine Corps, by attending night classes.

The Marine Corps Institute offers correspondence courses ranging from Bookeeping I through a course entitled Budget Formulation and Administrative Control of Funds. The latter is a five lesson course in the methods and procedures utilized in preparation of field budget estimates and field execution of the budget for the appropriation, "Marine Corps Troops and Facilities." There is also a Basic Cost Procedures course available, which explains the Job Order System and the accounting under this system. Another course which is available is the five lesson Work Measurement course. In addition to these courses, there are a number of pertinent courses which are available through the United States Armed Forces Institute and the various colleges and universities which provide correspondence-type training. No attempt has been made to ascertain the participation of Marines in this type of training for financial management.

The Marine Corps utilizes one other means to assist personnel in the field in performing their duties in the financial management area. This consists of an annual financial conference conducted at Headquarters Marine Corps. This year the conference was planned as a three-day affair.

It provides an opportunity for the exchange of information by personnel confronted with similar problems, as well as informing the Fiscal Division of the day-to-day problems of the operating personnel in the field activities. Additionally, it affords the Fiscal Division an opportunity to answer bothersome questions plaguing field personnel and to inform them of projected changes in directives, orders, methods, etc. Over fifty representatives attended the conference this year, representing practically all field activities with financial responsibilities who are located east of the Mississippi River. In an effort to save travel funds, a similar conference was scheduled for the activities west of the Mississippi, to be held at Camp Pendleton, California. The representatives at the Headquarters conference consisted of civilians and military personnel, ranging in rank from Technical Sergeant through Colonel.

CHAPTER IV

EVALUATION OF TRAINING

In an effort to evaluate the effectiveness of the principle training provided by the Marine Corps for officers in the financial management area, a questionnaire was sent to each of the graduates of the George Washington University Navy Graduate Comptrollership Program. Four questions were asked:

> (1) What have been your specific duty assignments since graduation from the course? The length of each assignment as well as the sequence is important to me.
> (2) Did the course provide all of the essential requirements for each of your billets in the comptrollership field? If not, what additional areas would you recommend for student exploration?
> (3) For any billets you have held outside of the comptrollership area, please evaluate any direct benefits attributable to your having completed the course.
> (4) Do you have any additional observations, conclusions or recommendations concerning the organization for comptrollership in the Marine Corps, such as the billet structure, the quality and quantity of training provided, possible additional training requirements--officer or enlisted, etc., which you would discuss?

Seventy percent of the graduates answered the questionnaire, and generally concurred that the course did provide the essential requirements for subsequent assignments in the comptrollership field. The level of the billet to which the individual was assigned after graduation appeared to have an almost direct effect upon whether or not there were additional areas that he felt should have been covered

in the course. The more broad the assignment, the better qualified the graduate believed himself to be. Graduates engaged in the "nuts and bolts" of the business submitted a number of recommendations for additional instruction in the areas dealing with the mechanics of their jobs. This can best be illustrated by quoting excerpts from some of the replies:

> Lieutenant Colonel assigned as Comptroller of a Supply Depot--"Although I had some question about it when I was assigned as Comptroller as to whether I had enough background to handle the job, I consider now that the course at George Washington University gave me complete grasp of the educational requirements needed. It is strange how every day I resurrect from somewhere deep in memory something which was taught or discussed at the Comptroller course. I feel that it is an excellent course. I probably have the largest comptroller responsibility in the Marine Corps."
>
> Lieutenant Colonel assigned to Navy Comptrollers' Office--"Yes, the course provided the essentials and was, I feel, particularly valuable for the budgeting aspects of the Executive Branch of the Government. My first assignment was much simpler as the budget jargon and cycle were reasonably well understood at the outset."
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> Lieutenant Colonel assigned to Fiscal Division, Headquarters Marine Corps--"My only assignment in a strictly Comptrollership field was the first one in the Accounting Branch in Headquarters. I feel that my training at George Washington was well repaid even with just one assignment . . . .
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> . . . . . .
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> One of the best and most outstanding things which remains in my mind as being of value, coming from George Washington, was the over-all concept of the Comptrollership function and its operation as explained by the many business people who came in and talked to us. The opportunities afforded to visit Capital Hill, of course, were very fine, and the convenience of having this training in the Nation's Capital (and specifically at George Washington) cannot be over-estimated. They undoubtedly can do a far better job than any other institution in the country because of their location in the Nation's Capital. Access to the Marine Corps Headquarters is also beneficial. I have many times reflected upon the good that has come to me as a result of having had the opportunity to attend this class."

Major assigned as Comptroller of an Air Station--"I don't believe that the course at G.W. can be expected to completely qualify the student for all the different tasks that will be encountered. As it stands as a "why" course--naturally the "how to" must follow. As Dr. Johnson states--it will be comparatively easy to fit specific job situations if the basic theory is understood. He's completely correct but the "how to" will take as much study as the course at G.W."

Captain assigned as Fiscal Officer of a Marine Division--"The course was designed to give a broad background and a grasp of the comptrollership concept and its related fields. The job of a fiscal officer in an FMF unit is one of handling nuts and bolts. As you know well, nobody at GW spends much time on the mechanics of Marine Corps appropriation accounting . . . . I am convinced that an officer can be a great deal better prepared coming out of GW than I suspected. I have found the close study of several references vital to successful handling of the job.

Major assigned as Fiscal Officer of a Marine Division--"Should be more emphasis on the Navy System. Students should explore: Navy Comptrollers Manual; NAVMC 1092-FD; current Navy and Marine Corps Directives in the Comptrollership Area: NAVEXOS P-1662; and anything available on Navy fiscal accounting . . . . Emphasis should be placed on the mechanics."

These replies are representative and leads to the conclusion that the course is accomplishing exactly what it was designed to accomplish. Graduates of the course, subsequently assigned to comptroller billets, obtained an over-all education that well equipped them for the job. Graduates who were assigned to fiscal officer billets or billets involving strictly accounting functions, found that they had not been taught the mechanics of their particular jobs. It must be borne in mind that the emphasis in this course is to train officers as comptrollers, and that the course was established as a result of Title IV of the National Security Act.

The replies to the question concerning direct benefits to billets outside of the comptrollership area, attributable to having completed the course, were somewhat limited. A large percentage of the officers who replied are serving in comptrollership areas, in their first assignment since graduation. As a result, no conclusions can be stated in this regard. However, in that I believe this area pertinent to an evaluation of the training provided, I shall quote excerpts which I believe to be representative:

> Lieutenant Colonel--"I come rather closely, at all times, in contact with the comptrollership function. Not a day passes but what I deal directly with the comptroller shop in the matter of evaluating funds, need for funds, the rate of expenditures, the obligational rate, the commitment rate and every detail of comptroller work. Beyond the strictly comptrollership area, the management techniques which were given to us at George Washington, and the wonderful personalities brought in from business and other institutions of higher learning, is beyond any possibility to evaluate. I cannot say too much for the training which was received in this area . . . .
>
> . . . . . .
>
> I can only add, I believe the Graduate Comptrollership Course at George Washington University is one of the finest experiences I have had, and I thank the Marine Corps for giving me the opportunity to equip myself for better service by having attended it." (This officer is now serving in a supply duty assignment in the field.)
>
> Major--"The principles of management which were presented by guest speakers, and also in class, have a value not fully determined at this time. Certainly the appreciation of these principles and their application to all of my assignments, both financial and other, has helped me greatly . . . .
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> . . . . . .
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> The tangible benefits that I have received from this course include, of course, the prestige associated with the masters degree."
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> Major--"In the S-1 (personnel) trade, I think George Washington probably assisted in the statistical field, administrative analysis, and general knowledge of allotments and budgets."

Major--"I have held no billets outside the comptrollership area, with the possible exception of the management engineering function. In this case I believe that the student will find that the G. W. graduate can better understand, utilize and place in proper perspective the techniques of management engineering than students who have directly pursued these studies in specialized courses. While acting as Comptroller at this location I have had numerous occasions to deal with highly paid civilian consultants . . . and was not at a disadvantage because of my comptrollership training at George Washington."

Lieutenant Colonel--"Your question regarding billets held outside the comptroller area and any benefits attributable to my having completed the course is rather hard to answer. I believe all I can say in this respect is that it certainly provides an additional factor in one's education, and whether consciously or unconsciously, supplies to the individual more assurance, perhaps more poise, perhaps more assuredness. I may liken this somewhat to taking Latin in high school. What direct benefit would it give you? Yet educators are firmly convinced that such a course does materially enhance a student's education and qualifications."

Captain--"In my present billet I am not directly involved with Comptrollership problems. Of course the understanding of government fiscal problems that I developed at George Washington and while with the Fiscal Division continually provides me with a personal satisfaction."

Captain--"The course provided an understanding of organization and human relations study which proved to be of considerable personal benefit." (This officer is now serving as an aide.)

No attempt has been made by the writer to evaluate the other management training outlined in the preceding chapter for two reasons. The longer courses are utilized for specific training in areas outside of comptrollership, and the assignment of those graduates to comptroller billets only creates a shortage of trained personnel in the areas for which the schooling was provided. The shorter courses can only be considered familiarization courses and are inadequate preparation for the job of comptroller if for

no other reason than brevity. All of these courses were, however, considered important in the over-all picture of the development of comptrollership within the Marine Corps.

CHAPTER V

SOME PROBLEM AREAS

Although the lack of experience within the Marine Corps throughout the financial management field is well recognized, the schooling and training of personnel in this vital function, as well as management training of all types, is fraught with many difficulties. In my mind, the most serious of these is a matter of philosophy regarding command and management. This becomes quite apparent when viewed in the light of a recent article in the Marine Corps Gazette, written by a recognized military commander. He has this to say:

> Recent events give rise to the apprehension that we in the Marine Corps are suffering from an attack of a common, but dangerous, military ailment--atrophy of command authority.
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> . . . . . .
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> Thus it is that we need but look around us to find a multiplicity of activities which have been created with the avowed purpose of relieving the commander of burdensome operational details but which, in fact, tend to relieve him of his command authority.
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> . . . . . .
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> Our military language, likewise, has suffered as a part of the same trend. Today, we talk too little of commanding, and too much of "supervising," "monitoring" and "directing;" of "guiding," "co-ordinating" and "controlling;" of "representing," "integrating" and "managing;" and of many more acts which, while in themselves quite indefinable, still all reflect a trend toward the dilution of command authority.
>
> "Managing" is particularly odious. Its dictionary definition would appear to have little genuine connection

> with the solution of military problems, yet we find the word used on all sides. There is even a magazine devoted to the subject. It speaks freely in its pages of many things which the straightforward military mind recognizes at once as elements and incidents of command. These actions, however, are identified as forms of "management"--without any substantive indication of what "management" is, where "management" begins and ends, or how it is identifiable with or compatible with the function of "command." From a military point of view "management" is a bad word. It has no place in our lexicon.
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> . . . . . .
>
> Likewise, so long as there is a so-called "center" for co-ordinating this, or for directing that, the tendency will exist for someone ultimately to acquire the authoritative position of "co-ordinator" or "director;" and with the latter step goes a piece of the commander's authority.
>
> So it goes, and the simple fact is this; the cumulative tendency of all such agencies--whatever their avowed purpose--is to diminish the strength and substance of the military monolith called "command" and leave it so weakened as to be little more than "military responsibility." In order to combat this tendency the commander must be eternally and often unproductively vigilant.
>
> . . .the basic principles under which we operate are immutable and cardinal among them is the Principle of Command. You cannot fight wars with a socialized military structure--even the Russians have found that out.[1]

The impact of this article upon our officer corps is fully realized when it is recognized that the author was recently selected for accelerated promotion to General. It thus appears that any association with any endeavor labeled "management" is to be particularly avoided by those aspiring to a long and successful Marine Corps career.

The General's article was specifically brought to my attention by the Head of the Career and Specialist Training Unit, Training Section, Operations and Training Branch,

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[1]Brig. General V. H. Krulak, "A Principle in Jeopardy," Marine Corps Gazette, Number 11 Volume 40 (November 1956), p. 26.

Assistant Chief of Staff G-3, Headquarters Marine Corps. On previous occasions, he had stated to me that the words, Command and Management, used together made him nauseous. His interpretation of the General's article was that it defended his position. His immediate superior, the Head of the Training Section at Headquarters Marine Corps, has an article in the most recent issue of the Marine Corps Gazette expressing much the same sentiment.[2] I might add that this philosophy, together with their particular positions, has had a tremendous effect upon the programming of management training of any type, including financial management, for officers in the Marine Corps.

In all fairness to these officers, I cannot believe that their philosophy concerning management extends across the board of Marine Corps activities. It is my opinion that these attitudes were expressed with regard to the combatant forces. However, neither in the articles, nor in discussions with the training officer mentioned, was any attempt made to so delineate the area of discussion. The carry-over, therefore, becomes most serious and damaging.

It is interesting to note what Henri Fayol, a recognized authority in the field of management, has to say regarding command and management. In his discussion of the essential functions of an industrial activity, he says of

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[2]Lieutenant Colonel H. Reichner, "A Tocsin For Command," Marine Corps Gazette, Number 4 Volume 42 (April 1958), p. 8.

managerial activities:

> No one of the preceding groups is concerned with drawing up the broad plan of operations of the business, with assembling personnel, co-ordinating and harmonizing effort and activity. These functions do not come within the province of technical activity nor within the commercial, financial, security, or accounting group. They make up another group usually indicated by the term Management with somewhat ill-defined attributes and frontiers. Foresight, organization, co-ordination and control undoubtedly form part of management as it is commonly understood. Should command necessarily be included? It is not obligatory: command may be treated separately. Nevertheless I have decided to include it under management for the following reasons--
>
> 1. Selection and training of personnel and the setting up of the organization which are managerial responsibilities are very much concerned with command.
>
> 2. Most principles of command are principles of management--management and command are very closely linked. From the mere standpoint of facilitating study there would be reason to set these two groups together.
>
> 3. Furthermore, the grouping has the advantage that it makes management a very important function at least worthy as the technical one of attracting and holding public attention.
>
> Therefore I have adopted the following definition: To manage is to forecast and plan, to organize, to command, to co-ordinate and to control. To foresee and provide means examining the future and drawing up the plan of action. To organize means building up the dual structure, material and human, of the undertaking. To command means maintaining activity among the personnel. To co-ordinate means binding together, unifying and harmonizing all activity and effort. To control means seeing that everything occurs in conformity with established rule and expressed command.
>
> Management, thus understood, is neither an exclusive privilege nor a particular responsibility of the head or senior members of the business; it is an activity spread, like all other activities, between head and members of the body corporate.[3]

The Marine Corps today operates in a peacetime environment wherein the prime requirement, next to military planning, is getting the maximum mileage from every dollar available. Congress scrutinizes every request for money,

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[3]Henri Fayol, General and Industrial Management (London: Sir Isaac Pitman & Sons, Ltd., 1954), p. 5.

and continually investigates military spending and buying practices. Posts, camps, stations, air stations, training installations and a host of other activities, which are commanded by Marine officers, are today considered comparable with industry's activities--whether we like it or not. Such comparisons are made not only by Congress, but by the public at large, the Department of Defense and others. Command of an installation where millions of dollars a year are spent is big business from any viewpoint. The effective and efficient use of men, money, and materials at such an installation is a management problem of vital interest to the commander. He simply must take advantage of every practicable device in the nature of organizational or financial arrangements to bring about greater cost consciousness in order to achieve maximum military strength in relation to cost. Any waste or inefficiency in the employment of available resources is directly reflected in reduced combat power. Therefore, the necessity for good management cannot be over-emphasized.

To insist that management is a function of command is certainly appropriate within the military, but to deny the existence of the principles of management is to refuse to recognize the environment in which we presently exist. Management training should be made a matter of number one priority, rather than something which is frowned upon.

There is an active, continual effort to effect economies in the operation of the Marine Corps, which on

occasion produces strange results. This effort, initiated by the Commandant, is many times used as a basis for the elimination or curtailment of formal schooling under the guise that such schooling might be a luxury. This thought, coupled with the ideas of some of our officers regarding management, places management training in serious jeopardy. For Fiscal Year 1959, Comptrollership training at George Washington University, as presently programmed, involves the expenditure of approximately one-third of the funds allocated for management training in the Marine Corps. Although the largest problem facing the Fiscal Director is the lack of qualified people, it is quite possible that Comptrollership training will be reduced or eliminated. This is in spite of the fact that the economies that would result by having trained people in the financial management business, where required, would undoubtedly more than repay the costs of the training.

Another aspect concerning graduate training for Marine Corps officers is the oft-leveled assertion that much of this training goes to educate personnel for civilian occupation. This does not hold up, particularly in view of Marine Corps Bulletin 1520 of 16 September 1957. This bulletin requires that personnel applying for post-graduate training submit a statement, along with their application, agreeing not to submit a resignation request during the course, and further agreeing to remain on active duty for a period of at least two years after the completion

of a one year course. An additional charge is that frequently geographical location of the school appears to be the major consideration of applicants in that only those originally from the area in which the school is located apply for a particular course or school. This, in my opinion, has no bearing on the validity of the training or the training requirement. More properly, it is a matter of consideration of the selection board convened specifically to select the personnel for graduate study.

It is frequently argued that service schools can provide adequate training for all military requirements. In this respect I can only point out that Comptrollership came to the military in an effort to put defense on a business basis. I am not aware of any service school that utilizes businessmen as instructors, whereas, in addition to instructing at George Washington, a large number of the professors are successful businessmen. Also, the value of the program of businessmen invited to participate in the weekly seminars cannot be dismissed lightly. Graduate study is a mature and refreshing approach to higher learning. Instructors generally are profoundly qualified and extensive classroom or conference discussion by highly experienced students is frequently of greatest educational import.

Occasionally individuals who have not had an opportunity, or are not qualified, to participate in a graduate program allow this to influence their thinking regarding

the value, as well as the validity, of such a program. This can be serious when such an individual is in a decision-making position in respect to a graduate training program.

Another problem, not entirely unlike that associated with the command-management problem, is due to the word Comptroller. It apparently implies an unknown quantity or factor of sinister meaning to many people, especially in the Marine Corps. According to one Comptroller, once you have that name attached to you, you find that people automatically, not knowing who you are or what you do, regard you with suspicion. In discussing this matter with a graduate of the course, he told me that he once asked another officer why he seemed to be afraid of comptrollers. In reply, he was told that the comptroller had the power of vetoing command decisions. Of course, this is absurd and impossible, as comptrollers only perform financial management functions for their commanders and do not exercise, or possess, a veto power over commands. It appears that this fact is not a matter of general knowledge however. Additionally, in the minds of some, the most recent Marine Corps order tended to strengthen the sinister concept of the Comptroller in saying:

> It is the desire of the Commandant that no "corps of comptrollers" be created in the Marine Corps. To prevent the inadvertent development of such a "corps", no officer will be assigned to fiscal functions consecutively to the exclusion of assignments in other fields, merely on the basis of prior experience in fiscal administration. While it is recognized that this policy may not promote the maximum development

> of technical skills in financial management, it is considered that the value of having an officer as comptroller with broad staff and command experience in operating programs, problems, and general administrative responsibilities will outweigh any disadvantages which might accrue.[4]

There are those who contend that this would make it appear that there is a possibility of a "corps of comptrollers" taking over the Marine Corps. Again this is absurd, considering only numbers alone, but to those already suspicious of the function it can be interpreted to say, "Keep an eye on them, don't let them get too proficient in their job, or let them band together." Although I am certain that this thought was not even considered in the writing of the order, it has, in less than three months since its issue, caused considerable controversy along these lines, both inside and outside of the field itself.

Another part of this order which has caused some criticism is the statement that the duty will normally be assigned as primary duty. "Normally," to some, implies that the duty could easily be assigned as a secondary job and is, therefore, of little significance.

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[4]Marine Corps Order 5450.2A, op. cit., p. 11.

CHAPTER VI

OCCUPATIONAL SPECIALTY PROBLEM

Presently, the Marine Corps classification system has no means of identifying the skills acquired by its personnel in the field of financial management. This is a problem which requires early resolution.

In the case of officers, each year relatively large sums of money are spent for formal education in the fields of Business Administration and Financial Management. Additionally, the total cost of on-the-job training in these functions for officers alone amounts to considerable expense. Without a means of identifying this education and training, the money spent is partially lost to the Marine Corps because the skills acquired are not readily identifiable upon a change of station. Although it is not intended that unrestricted officers who have had training in the financial management field be assigned to that field exclusively, the ability to readily identify the skill would aid in returning them to this field after an intervening tour of duty in a command or other type billet. In the case of Supply Duty Only officers, who according to established policy are to be the primary source for accounting officers in comptroller organizations, such identification is essential.

It is quite possible that our classification system should include at least two different Military Occupational Specialties (MOS's) for officers in this area. One MOS could be utilized for those general duty officers as a secondary MOS, indicating a general knowledge of accounting, sufficient for the function of Fiscal Officer as established in the Tables Of Organization. The other MOS could be utilized to reflect a more technical skill in accounting, and a broader knowledge of the financial and business management field. Personnel possessing this MOS would be properly qualified to fill the billet of Accounting Officer as established in the Tables Of Organization. It normally would be assigned to Supply Duty Only officers and to a newly-created technical Warrant Officer and Limited Duty Only category officer. It is my opinion that the Warrant Officer and Limited Duty Only officer categories should be established in the financial management field. The accounting function will be a permanent one, with ever-increasing demands on the abilities of those who perform it. The technical Warrant Officer and Limited Duty Only officer categories are a logical solution to the problem of what officers are to fill the limited number of technical supervisory accounting and accounting office management type billets in field commands and installations which cannot be filled by trained civilians. These two categories of officers could provide the continuity of trained personnel that is required in these billets, and in addition, would

provide the incentive of a career outlet into the officer ranks that is necessary in every occupational field. The status of a Warrant Officer, combined with the technical knowledge of the job, and the knowledge of the function of office management that is inherent in an individual who has progressed up through the ranks in a technical field such as accounting, eminently qualifies this category officer. His duty assignments would be in Comptroller organizations in such positions as sub-unit head and assistant unit head. The Limited Duty Officer category falls readily into the partial void that is created in the source for Accounting Officers by the "general duty" concept for unrestricted officers. The technical knowledge and experience gained through progression in the occupational field, supplemented by formal schooling in financial management after reaching the commissioned ranks, would qualify a Limited Duty Officer for higher supervisory accounting billets such as that of Accounting Officer in a comptroller organization. The restricted duty status and the rank limitations on the Limited Duty Only category would preclude their becoming Comptrollers, thus they would serve exclusively in the field of accounting and provide the desired continuity.

Now, let us take a look at the enlisted picture in the financial management field. While attending the Comptroller Conference, conducted by the Fiscal Division, Headquarters Marine Corps, I had an opportunity to talk with a number of comptrollers from the field activities. With

the exception of the air station comptrollers, whose staff is made up entirely of civilian personnel, the major problem appeared to be the lack of adequate personnel to perform the routine accounting work associated with Comptrollership. At the heart of this problem is the lack of a suitable Military Occupational Field for financial accounting. Every Marine possesses a Military Occupational Specialty (MOS) which identifies the skill that he is proficient in, or the field in which he is under training. At the present time, there is no occupational field for financial accounting, and as a result, the only personnel available to fill the billets in fleet comptroller organizations are those personnel from other fields who are utilized in the established billets. This really isn't fair to the individuals, as every enlisted Marine must take a technical test for promotion based on knowledge and abilities within the field identified by their particular MOS. In addition to this, however, there are other problems in this area. The advent of the double entry bookkeeping system into appropriation accounting, accrual accounting and the added emphasis being placed on cost accounting and property accounting have served to increase the complexity of accounting to the point where it is no longer practical to expect to fill accounting type billets by drawing on related Occupational Fields. In the past, a knowledge of the basic documents from which accounting entries were made was an adequate background for personnel who were to be utilized in accounting billets. The

present accounting procedures require a basic knowledge of accounting on the part of those who perform the accounting duties, either clerical or supervisory. Therefore, there is a real requirement for the establishment, within the Marine Corps, of a basic course in financial accounting. It is estimated that there are over three hundred Marines engaged in performing the functions of accounting and budgeting. Presently, each of these Marines is either serving out of his occupational field, or is being trained on-the-job, which is a slow and laborious process. Also, on-the-job training provides no incentive to the man, as he cannot be assigned an MOS when qualified simply because there isn't one in existence.

Perhaps this whole problem can most properly be brought into focus by relating the experience of one of the graduates of George Washington, who is presently a Fiscal Officer in a Marine Division. He writes:

> One thing that should be done immediately is the establishment of an enlisted fiscal MOS. At the present time I am trying to find 4 new men to replace transfers and dischargees within the next 6 weeks. It can only be done by calls for candidates and endless screening. In addition to this problem there is a great deal of waste. I have one staff sergeant, an 0141, by MOS, who was a fiscal chief in the 3rd Division for a year, and an allotment supervisor here in the 1st Division for 3 years. His knowledge of the field and his experience are exceptional. He is being transferred next month to a billet requiring an 0141. The use of a fiscal MOS would eliminate this kind of misassignment. It is also unfair to the man in that he must compete for promotion in his occupational field, which he has been out of for four years.[1]

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[1]Letter from Captain John G. Metz, Fiscal Officer Third Marine Division, Camp Pendleton, California, March 15, 1958.

CHAPTER VII

CONCLUSIONS

The development of comptrollership in the Marine Corps, although starting slowly, has made progress. From 1950 until 1953, very little action was taken in the Department of the Navy to implement Public Law 216. I believe, however, this is understandable when one considers that although Korea was not called a war, to the Navy and even more so to the Marine Corps, it assumed tremendous proportions. During that short period, the strength of the Marine Corps was increased several-fold. We were engaged in our primary mission--fighting, and certainly the emphasis was properly placed on the military aspects of the job. After that job was completed, we again turned to the areas wherein we had unfinished business. Many commanders realized that in addition to being proficient tacticians, they also had to be good businessmen. The commander assumed the basic fiscal responsibilities of formulating a budget by planning his requirements for the funds needed to finance the execution of the missions of his commands. He submitted an annual request through the chain of command for the required funds. He prepared a financial plan for executing his budget within the funds alloted to him. He instituted

a reporting system that would keep him informed of the status of all of the appropriated funds under his control. He administered and accounted for these funds. He realized that dollars were an easily understandable means by which he could measure the quantitative and qualitative use of his resources during the execution of his mission. Financial management became a tool with which he insured that the use of all of his resources--men, money and material--were aimed at the accomplishment of his missions. To assist him in this work, directives formally established the Comptrollership function in the various commands. The Tables of Organization provided for the individual, or individuals as the case may be, on his staff who would assist him in utilizing the financial management tool. For those unfamiliar with the term Comptroller, it might be well to more clearly define his relationship to the Commander. An analogy that comes to mind is one that has been used many times before. The relationship between these two officers is similar to the relationship of the navigator to the captain of a ship. The navigator lays down the courses that will keep the ship clear of the rocks and shoals enroute to its destination. He maintains an accurate knowledge of its progress during the trip, he studies the effects of currents, he warns of its deviations and he recommends to the captain necessary changes of speed and course. So also does the Comptroller lay down a safe course of fiscal policy, giving timely warning of approaching

deficiencies and constantly checking the financial position. But the Comptroller does not change the fiscal policy without approval of command any more than the navigator changes the course of the ship without the approval of the captain. The authority of the Comptroller stems directly from the command and his responsibility is to that command. He is responsible for providing specialized skill and "know-how" in the financial management areas and to furnish appropriate information, interpretations and recommendations based thereon. The Comptroller does not control. Control is exercised by taking action, and action can only be taken by an official who holds delegated responsibility and authority for the operation.

It was immediately established that the Comptroller would be an officer who, at a future date, may have to exercise command. Thus at air stations, the Comptroller should be an individual with a broad background in air operations who someday would be an air station commander. However, to do the job properly, this broad background must be coupled with fiscal experience. Realizing that very few officers, particularly unrestricted officers, possessed an appreciable amount of fiscal experience, the Marine Corps started training officers in this area. The Navy Graduate Comptrollership course at George Washington University was selected as the best vehicle for this training. Graduate training, however, is expensive and as a result the numbers trained, although increasing yearly, has been relatively few.

In questioning the graduates, prior to writing this paper, it seems that at times the training was afforded to individuals who, because of their rank, could not properly utilize the training. Officer graduates who assumed positions in the Fiscal Division, Headquarters Marine Corps, in the Office of the Comptroller of the Navy, or on other high level staffs were equipped by the schooling to immediately put forth productive effort. They were familiar with the budget cycle and the problems involved therein. Other graduates who were assigned as Comptrollers of air stations, supply depots, and other stations and posts, or Financial Coordinators of Marine Air Wings, felt completely qualified to assume the billet. The more junior officer graduates, however, who were assigned to billets such as Division Fiscal Officer, which called for working with the "nuts and bolts" of the business, did not feel adequately prepared by the course at George Washington University. This is certainly understandable as the course was designed, not as a "how-to" course, but rather an educational course. Personnel in positions at the Division Fiscal Officer level require a working knowledge of such things as appropriation accounting, a familiarity with the NavCompt Manual, Navexos P-1662, the Stores Accounting Manual, NAVMC 1092-FD, and current Navy and Marine Corps Directives in this area. These requirements could undoubtedly be fulfilled in a much shorter time, at less cost, by the establishment of a course providing only this training in the Marine Corps Supply

School or the Marine Corps Schools.

A review of the billets in which the schooling at George Washington would be of significant value indicates that the schooling should be limited to Majors and Lieutenant Colonels. The schooling should also be limited to those officers who are destined for billets immediately upon graduation that have been established for officers of these and higher grades in the field of financial management. If this schooling were so limited, then the Marine Corps could plan on a minimum of two tours of duty for these individuals in the financial management field, with an intervening tour of duty in an operating billet. This would effect maximum utilization of manpower as well as efficient utilization of expensive training.

An additional factor which should be considered in selecting personnel for training at George Washington, and further assignment to Comptrollership billets, is that the individual must possess a broad point of view. This is of vital importance in performing comptroller functions effectively. If a Comptroller is a part of "top management" he must be capable of viewing their extensive responsibilities and relationships. Only if he can see the whole can he aid the members of this top management group. A mature man with a broad point of view will be concerned with basic objectives, missions, and policies; he will not, however, overlook his responsibilities for maintaining accounts, preparing reports, developing procedures, and making studies.

Instead, he will be capable of seeing above these details and view each of them in terms of their contribution to accomplishing the objectives of the command.

There are a number of problem areas in Comptrollership within the Marine Corps. In my mind, perhaps the greatest of these is not the lack of trained personnel, but the acceptance of the function itself. Marines traditionally aspire to command, which means control, as pointed out earlier. Therefore, Comptroller, if properly pronounced, becomes an anathema to those unfamiliar with the position. Financial Manager or Coordinator seems little, if any, better. This is most unfortunate. Added to this is the fact that every commander believes that he is a manager in every sense of the word, or else he has no business being a commander. Each of these commanders believe, however, that they require an operations and training officer to assist them in the accomplishment of these functions, so why not a financial officer to assist in that function? Is it that in time of war financial management in the combat units is of little consequence? It is my opinion that this is undoubtedly one of the predominant reasons. The solution of this problem rests with those of us who have been convinced that the Comptroller, by whatever name you choose to call him, can provide a valuable and needed service to the commander. It is strictly a sales job, and until this job is done over and over again there will be the problem of support from the commander. Results too are important and the Comptroller

who does not, or cannot produce, particularly for the skeptical commander, is worse than no Comptroller at all. This then, becomes a real challenge to each of us who have had the broad educational background which the Marine Corps has provided through the course at George Washington.

Another problem area becomes evident when conversing with Comptrollers in the Marine Corps. It concerns a Marine Corps Order which stated that the Commandant desired that no "corps of comptrollers" be created in the Marine Corps. This single sentence has been intrepreted in many ways, all of them--in so far as I can tell--detrimental. One school of thought believes that this reflects suspicion on the position. Another believes that as long as anyone can fill the position, it isn't a position of importance or value, at least in very many eyes. One Comptroller pointed out that there were only fifteen Comptroller billets in the Marine Corps and that this is hardly a squad, much less a Corps. Further, by reading between the lines, he believes that the restriction on successive assignments to the billet is an attempt to prevent anyone from becoming too proficient in the business lest he assume control. Although I am certain that none of these things was intended when the order was written, it has caused this reaction and should perhaps be rewritten. The restriction on successive assignments was placed in the order so that unrestricted officers would not be continually assigned to the staff function of Comptrollership to the detriment of their careers. Additionally,

the philosophy is that the comptroller can provide the best service when he is completely familiar with operating problems, and the longer he is assigned away from operating positions, the less will be his appreciation of the problems involved.

There are those who do not agree with that philosophy. They say that the billet should be recognized as being at least as complicated as any other professional field such as legal, medicine, dental, supply, engineering, etc. They believe that the current Marine Corps Order will ensure that comptroller billets will be occupied by "trainees" to the disservice of sound financial management. They point to the advertisements in the Wall Street Journal, The Journal of Accountancy, etc., offering positions as comptroller for a medium wholesale organization. Each of these advertisements specify some minimum educational requirements but also require experience evidenced by years of service in the function. Many of our Marine Comptrollers are monetarily responsible for sums far in excess of those of a medium wholesale organization, or even a large wholesale organization. The comptroller is the one individual who deals with everyone on the station, and it is therefore a task that requires a great deal of time to master. The alternative to spending the necessary time is to permit one's self to become the "captive" of his staff and rubber stamp. Some comptrollers are afraid that this latter situation will be the result of the Commandant's policy of believing that any

"well-rounded" officer can handle the job. They are convinced that it requires all of the training of George Washington, plus an equal amount of additional study and work on-the-job to be well qualified.

Although there is certainly some truth in what these people say and believe, I am firmly convinced that the concept instituted by the Commandant is sound. In my opinion, trained personnel in the financial management field should be assigned to the comptroller billets almost in accordance with the normal career pattern. Thus, rather than successive assignments to comptrollership, they would, at most, receive alternating assignments between command and comptroller billets. All of their staff billets would then end up in the financial management field, but in that the job requires such an intimate familiarity with all of the jobs on the station, I cannot believe that this would prove detrimental to the individual. One station comptroller told me that there were two fundamental requisites which the comptroller must possess to do an acceptable job of financial management. These are an appreciation of everyday accounting, and a knowledge of functional and financial structure of the station he is serving. Anyone acquiring this knowledge, while serving as a comptroller, certainly would not be at a disadvantage in his professional development if each of his staff assignments were in this one area. My premise in this regard, however, presupposes an effective control of officer assignments. This is not always the

case and it is generally explained that other, over-riding considerations preclude certain assignments. I cite as examples some cases with which I am familiar. One officer who graduated from George Washington almost two years ago has yet to serve in a comptrollership type billet. Another officer, who graduated last June, is serving in an assignment that is completely unrelated to comptrollership. One officer in the present class has his orders to another school upon completion of the course in June. In that the Marine Corps is able to provide this expensive training to so few officers each year, it would appear that every single graduate would be immediately assigned to the area in which he has been so well-grounded. Were this done, the schooling requirement would eventually be reduced, and experienced comptrollers would be available for all of the billets in the Marine Corps, without successive assignments for any officer. The Division of Aviation, in an attempt to insure that aviator graduates of postgraduate schools would be immediately employed in the area wherein they were schooled, published a letter explaining assignment policies in this respect. It stated that those Marine Aviator graduates who were assigned by Headquarters directly to billets in the Bureau of Aeronautics, etc., would be assigned to billets which would properly utilize their recently acquired training. It also requested that postgraduate students assigned to field commanders upon completion of school be assigned by those commanders to billets congruous with the training they

completed. If this were made a matter of assignment policy of the Marine Corps, and "over-riding" considerations were not allowed to interfere, the designated comptroller billets would soon be filled with trained personnel.

Due to the comptrollership developmental process within the Marine Corps, the Tables of Organization, as previously stated, do not reflect a standard type comptroller organization, even in comparable units. The comptroller is separated from his staff, administratively at least, in many of the Tables of Organization. Also, in some installations, some functions with the billets assigned to these functions, are carried under the comptroller division, at least administratively, when it would appear that they do not belong there. Whether or not this poses a problem in regard to effective and efficient operation, I am not qualified to say. However, it would appear that the Marine Corps should arrive at a more or less standard organization in the same type units, such as supply depots, and reflect this organization in current Tables of Organization.

Financial accounting has reached the proportions, in numbers of people required, that a solution to the Military Occupational Specialty problem is a pressing requirement. In conjunction with this is the requirement that a school be established for enlisted men which will provide them with a basic knowledge of financial accounting. Providing this knowledge through on-the-job training is no longer efficient or economical. Basic accounting training, provided

in a brief formal course, would alleviate the necessity for detailed instruction and excessive individual supervision which is now required on the part of supervisory personnel when a new accounting clerk is being trained "on-the-job." Once the man is qualified, his knowledge and experience must be retained in the financial accounting field, and this can only be done by providing an adequate system of classification which will identify this skill.

As previously discussed, the same problem prevails in the officer structure. In addition to this, there is a definite requirement for a short course for officers which would cover the areas of appropriation accounting, current directives, budgeting, cost accounting and the NavCompt Manual. The skill of officers so qualified, as well as the skill of those qualified in the longer graduate courses, must also be identified.

CHAPTER VIII

SUMMARY

In summary, I would like to state briefly the areas I have investigated, wherein those of us interested in efficient financial management can provide a real service to the Marine Corps.

First--A selling job of great magnitude is required concerning the value of management tools, training, principles and methods, particularly as they relate to efficient financial management.

Second--Endeavor to raise the rank requirement for training at George Washington to Majors and above, and to require that all officers so trained be assigned to comptrollership billets upon graduation.

Third--Endeavor to establish a short course for officers within the Marine Corps which would qualify them for Fiscal Officer billets.

Fourth--Endeavor to establish a short course for enlisted men within the Marine Corps to qualify them in basic accounting, and familiarize them with the current directives and publications pertinent to financial management.

Fifth--Endeavor to establish an occupational field, or at least suitable Military Occupational Specialties, to

properly classify all qualified personnel in the financial management area.

Sixth--Endeavor to establish standard organizations in like installations, to be reflected by the Tables of Organization.

Seventh--Endeavor to eliminate "corps of comptrollers," and all other such inferences, within the financial management area.

Eighth--On the job, maintain a broad point of view, a positive and purposeful outlook and emotional stability.

Ninth--Be a considerate staff officer who performs "completed staff work" but does not usurp the prerogatives of others. Make recommendations to management officials concerning areas in need of attention, do not make decisions for them or attempt to direct them.

Tenth--Sell, sell, sell your services and prove their worth by doing the best job you possibly can.

The Director of the Fiscal Division, Headquarters Marine Corps, has recommended to the Commandant that an occupational field be established for financial management, as well as a short course for enlisted training in this important function.

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APPENDIX I

BUREAU OF AERONAUTICS Enclosure (1) BUAER 5451.11B
10 May 1957

Functions and Responsibilities of the Comptroller at Activities under BuAer Management Control

The Comptroller, functioning in a staff capacity, advises and assists the Commanding Officer, the Executive Officer, the station or Center Budget Board or Planning Board, the Department heads, and other levels of station or Center management in planning, organizing, directing, and executing financial management operations so as to provide a sound financial system that will contribute to the efficient, economical, and effective management of the station or Center. In this capacity the Comptroller provides technical guidance, coordination, and advice in budget preparation, review, and execution; recommends allocations of civilian personnel to Departments and programs; develops and monitors data collection systems for program performance analysis and progress reporting; provides accounting and disbursing service when designated; and maintains a program of internal review and assistance.

I. BUDGETING

1. Serves as advisor to the Commanding Officer, the Executive Officer, the station or Center Budget Board or Planning Board, the Department heads, and other levels of station or Center management on budgetary policy and planning matters.

2. Reviews and analyzes planned personnel and workload to coordinate financial estimates with personnel and workload.

3. Develops financial estimates for the operation, maintenance, and improvement of the station from the overall standpoint, and in relation to the assigned mission of the station, emphasizing balance among work programs, functions and departments, and emphasizing continuity from year to year.

4. Develops alternative financial plans for possible varying levels of station activity, workload, and financial support.

5. Analyzes the effect on financial and manpower requirements which will result from any changes in organization or mission and tasks of the station; makes appropriate recommendations for necessary changes in funds and manpower allocations.

6. Develops forms and general guideline instructions for submission of budget estimates by station department heads.

7. Coordinates the various phases of estimate preparation to insure compliance with basic policy, adherence to approved program plans, coverage for all functional areas requiring funding, and maintenance of established time schedules.

8. Reviews department budget submissions for validity of back-up data and overall balance between dollars, personnel, facilities, and workload; consolidates department submissions into an overall station budget; and recommends to the Commanding Officer approval, revision, or disapproval of individual items included in the consolidated budget.

9. Reviews and analyzes unit-cost criteria used in developing financial requirements in relation to planned workload.

10. Directs preparation of exhibits, charts, graphs, and other visual presentations to support the budget, and consolidates station budget submission.

11. Assists the Commanding Officer in justifying the station budget before higher echelon reviewing authorities.

12. Recommends to the Commanding Officer initial allocations of funds and civilian personnel ceilings to station departments, and revisions thereto, based on workload, planned programs and work measurement statistics.

13. Prepares general instructions for determination of the propriety of charges to the various station funds.

14. Determines applicability of station funds to the various work projects.

II. PROGRAM PERFORMANCE ANALYSIS

1. Develops and recommends reporting systems for collecting and integrating cost and work measurement (workload and man-hour) data to facilitate staff analysis of the effectiveness of money, material, and manpower utilization in carrying out the station mission.

2. Examines workload, cost, and personnel utilization trends and analyzes variances from plans; recommends remedial

3. Initiates plans for the control of commitment, obligation, and expenditure of station funds; recommends appropriate internal reports to show rate of progress in utilization of funds.

4. Reviews rates of commitment and obligation of station allotments and suballotments or departmental planning authorizations and highlights problem areas.

5. Prepares charts, graphs, and other recurring progress reports which reflect status of major programs for distribution to top station management; singles out and highlights problem areas.

6. Conducts special studies to determine past relationship between planned workload, personnel, facilities, and expenditures, taking into consideration material available without charge to station funds.

7. Provides a central review and coordination point for data and reports concerning financial management, personnel utilization, station performance related to man-hour or dollar planning estimates or to standards, and work measurement.

8. Monitors the operation of the BuAer Work Measurement Program and prepares summary work measurement reports both for station use and for submission to BuAer.

III. ACCOUNTING AND DISBURSING

1. Maintains official accounting ledgers and supporting subsidiary records covering commitment, obligation, and expenditure of all funds made available to the station.

2. Conducts or provides technical supervision over timekeeping operations throughout the station.

3. Maintains plant property accountability records; and supervises and coordinates the taking of physical inventories of plant property.

4. Maintains dollar accountability records for inventories of material, equipment, and supplies carried in the stores account.

5. Maintains civilian pay, leave, and retirement records.

6. Prepares and pays civilian payrolls.

7. When authorized, pays military payrolls and public vouchers, and issues savings bonds.

8. Compiles job order and other cost accounting data.

9. Prepares and submits to station management and/or higher authority required accounting and financial reports.

10. Performs such other duties as may be prescribed for a fiscal officer or division in the Navy Comptroller Manuals.

IV. INTERNAL REVIEW AND ASSISTANCE

1. Performs special analyses in comptroller areas and renders assistance in correcting deficiencies which are revealed from time to time by formal audits, reports analysis, observation, or other means.

2. Conducts studies, makes recommendations, develops where necessary, and assists in the installation of, local systems and procedures designed to improve station financial management. This includes adaptation of prescribed BuAer or MavCompt procedures to local situations.

3. Develops and supervises programs of internal accounting control, including programs for administrative spot-verification of labor and material distribution or other accounting transactions as necessary.

4. Provides as necessary for reconciliation of interrelated records maintained in station departments.

5. Assists in conducting audits of station non-appropriated fund activities.

6. Coordinates preparation, review, and maintenance of comptroller department instructions and station instructions on financial management and makes recommendations for changes thereto.

APPENDIX II

DEPARTMENT OF THE NAVY
Headquarters United States Marine Corps
Washington 25, D. C.

MCO 5450.2A
AS/cgg
17 Jan 1958

MARINE CORPS ORDER 5450.2A

From: Commandant of the Marine Corps
To: All Commanding Officers

Subj: Organization anf functioning of the Staff in financial planning and administration

Ref: (a) MCO 7000.1
(b) SecNav Inst 5400.4 (NOTAL)
(c) BuAer Inst 5451.11B (NOTAL)
(d) Marine Corps Staff Manual

Encl: (1) List of Activities required to have a formal Comptroller Organization

1. Purpose. To provide guidance to Marine Corps commanders, supplemental to reference (d), on the organization and functioning of the staff in the execution of the commander's financial management responsibilities.

2. Cancellation. Marine Corps Order 5450.2.

3. Background. The increased complexities of financial management in all field commands since 1949 have placed a heavy added responsibility upon each commander. With this increased responsibility, the commander has had to place greater reliance on his staff for the provision of coordinated financial advice in making his decisions. To insure a coordinated effort within the staff, staff responsibilities for financial planning and administration should be clearly defined and assigned.

4. Assignment of staff responsibility.

a. Comptroller. In those commands where the complexity of financial management requires, a comptroller may be

assigned to the staff to assist the commander by performing those general staff duties pertaining to financial matters.

The Comptroller. -- Plans, coordinates and supervises matters pertaining to the broad areas of financial management to include appropriated and non-appropriated fund activities. His purview includes planning for, and coordination and supervision of, the following:

(1) Budgeting. -- Guidance and instructions for budget matters; review of the resource requirements and justifications of the various programs of the command; compilation of the annual budget; recommending allocation of funds available for approved operating programs (including pay of civilian personnel), and revisions thereof when required; preparation of appropriate budget directives and instructions; initiation of action for financial adjustments required by changes in amount of funds made available; and improvement of financial efficiency.

(2) Accounting. -- Maintenance of required records, including records of obligations and expenditures against allotments and project orders; maintenance of records for the plant property account and for financial transactions of all classes of property; for civilian pay, leave and retirement; preparation of accounting reports; supervision of cost accounting operations; submission of property returns; supervision of timekeeping operations; and preparation of civilian payrolls.

(3) Disbursing. -- Payment of civilian payrolls; payment of public vouchers and military payrolls; issuance of savings bonds; and preparation of disbursing reports and returns.

(4) Progress and Statistics. -- Develop guides and criteria for the collection and coordination of statistical data; supervise the preparation of special statistics.

b. Accounting Officer. Performs the general duties of a special staff officer with respect to accounting matters; responsible for the maintenance of required accounting records, including records of obligation and expenditures against allotments and project orders; preparation of accounting reports both for local commanders and for submission to higher authority; conduct of cost accounting operations; maintenance of plant property accounting records and financial records of inventory transactions of all classes of property, and submission of all property returns; supervision and conduct of timekeeping operations, maintenance of civilian pay, leave and retirement records, and preparation of civilian payrolls.

c. Disbursing Officer. Performs the general duties of a special staff officer with respect to the safekeeping of all public money collected or otherwise placed in his custody; paying out or transfer of funds as may be directed; duties as fiscal agent of the Marine Corps imposed by law or regulation; depositing of public funds not required for current expenditures; maintain detailed records of all transaction and submission of periodic financial reports.

d. Fiscal Officer. Performs the general duties of a special staff officer with respect to fiscal matters; maintains records reflecting the use and status of appropriated funds made available to the commander by allotment, suballotment, or other means; prepares reports pertaining to the status of allotments and other fiscal matters. In commands where there is an accounting officer, the fiscal officer, although performing the same fiscal functions, becomes a subordinate of that officer.

e. Staff Action. The commander, in making financial decisions, must rely heavily upon the coordinated financial planning and advice of his staff as a whole. While the comptroller has primary staff cognizance in the area of financial management, he must advise the commander in the light of recommendations of other interested staff officers.

(1) Budget Committee. At the discretion of the commander, a budget committee may be organized, consisting of those staff officers whom the commander considers appropriate, to provide more closely coordinated staff solutions in financial matters. The comptroller should be a member of the committee.

5. Assignment of officers in fiscal fields.

a. It is the desire of the Commandant that no "corps of comptrollers" be created in the Marine Corps. To prevent the inadvertent development of such a "corps", no officer will be assigned to fiscal functions consecutively to the exclusion of assignments in other fields, merely on the basis of prior experience in fiscal administration. While it is recognized that this policy may not promote the maximum development of technical skills in financial management, it is considered that the value of having an officer as comptroller with broad staff and command experience in operating programs, problems, and general administrative responsibilities will outweigh any disadvantages which might accrue. In the assignment of officers to comptroller duties, commanders should not place undue emphasis on an officer's facility in accounting procedures as an indication of suitability for the broader responsibilities of duty as a comptroller.

b. Except at supply commands, where fiscal functions are properly assignable to officers on supply detail or in

the "Supply Duty" category, the billets of comptroller and fiscal officer should be assigned to unrestricted line officers who, at a future date, may have to exercise command.

c. Duty as comptroller will be assigned normally as primary duty. Duty as fiscal officer may be assigned either as primary duty, or as additional duty in keeping with the local fiscal workload.

d. Because of the broad knowledge which is required of various types of accounting, a field grade officer in a "Supply Duty" status will habitually be assigned as accounting officer, except when a sufficiently well qualified officer of another category is specifically available for it and his assignment is considered to be more beneficial to the command.

6. Action.

a. Commanders listed in enclosure (1) are authorized and will assign a comptroller to their staffs.

b. The commanders of field activities other than those listed in enclosure (1) will discharge their fiscal functions in the most efficient manner, assigning those functions to their staffs as they may desire; however, in all organizations the closest supervision over the entire fiscal function should be exercised by the commander himself, not only in the interest of efficient financial administration, but for the purpose of training subordinate officers in this vital function. Separate staff sections to perform comptroller-type activities will be established only where the fiscal workload is sufficient to warrant it.

c. (1) It is mandatory to establish a single accounting office to coordinate and supervise all the functions of accounting which are applicable to each field activity concerned. However, commanders may, subject to the requirements of their respective commands, organize their accounting operations and personnel with that degree of operational (but not necessarily physical) centralization which best serves their managerial needs.

(2) The disbursing function will be separate from the accounting function.

(3) Commanders may find that the functions of Progress Reports and Statistics can be performed adequately by personnel in the Budget and Accounting Offices.

d. The functions of comptrollership at Marine Corps air installations will be performed in accordance with reference (c).

e. The applicability to Marine Corps field commands of orders and instructions issued by the Comptroller of the Navy is set forth in reference (a).

7. Reserve Applicability. This order applies to the Marine Corps Reserve.

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Chief of Staff